

**Commonwealth Edison Company's Response to  
Staff's (DLH) Data Requests 21.01 – 21.04  
Dated: December 21, 2007**

**REQUEST NO. DLH 21.04:**

Referring to the Company's proposal for a Storm Expense Adjustment, Rider SEA, ComEd Ex. 12.18, provide a description of all procedures and controls to ensure that only operating and maintenance expenses, rather than capital expenditures or overheads, administrative and general expenses, or other non-allowable costs will be properly segregated for calculation of the "Actual O&M" for the Storm Adjustment charge.

**RESPONSE:**

As discussed in the ComEd Exhibit 7.0, page 33, lines 620 – 622, the baseline amount of storm O&M costs included in the revenue requirement is \$27.1M (see also WPC 2.2). This amount includes distribution storm O&M expenses (FERC Account 593), associated pensions and benefits (FERC Account 926) and Payroll Taxes (FERC Account 408.1). In determination of the amounts for inclusion in Rider SEA, the same costs would be used.

As discussed below, Project ID's are issued for weather related outages as soon as it is determined that our Distribution system is at risk for potential abnormal outage situations. This process assures that no capital costs are recorded as O&M expenses and thus would not be included in determination of the amount to be collected or refunded in Rider SEA.

- Two unique project ID's are created to record costs applicable to each respective storm
- One project is set-up as 100% Expense and one project is set-up as 100% Capital
- ComEd charges to one of many work order tasks (which defines the task performed)
- WO tasks are associated to the O&M or Capital Storm project, based upon the nature of the task performed.
- Relevant cost data is available by work activity and area
- Costs are capitalized in accordance with the Capitalization policy and the Property Unit Catalog.
- Property Units are identified in Passport, which assist with the validation of the O&M/Capital costs.
- The costs charged to the unique storm projects and the categorization as capital vs. expense are assessed and validated for reasonableness by the responsible financial analyst prior to closing each respective project.

See ComEd's response to AG (MLB) 2.28 for a copy of The Storm/Event Cost Tracking Guidelines.

Finally, we note that the question characterizes Administrative and General costs as an example of "non-allowable costs". As a point of clarification, as described above, pensions and benefits (which are recorded in A&G account 926) associated with storm cost labor are included in the determination of Rider SEA.